

HOUSE BILL No. 1083

DIGEST OF INTRODUCED BILL

Citations Affected: IC 32-34-1.

Synopsis: Unclaimed property. Reduces from five years to three years the period after which the following property is considered abandoned for purposes of the state's unclaimed property act: (1) A demand, savings, or matured time deposit. (2) Property payable as a result of a demutualization, rehabilitation, or related reorganization of a mutual insurance company. (3) All other property not otherwise specified under the act. Makes a technical amendment to one provision of the unclaimed property act to reflect another provision of the unclaimed property act that specifies that the act does not apply to: (1) a business to business credit memorandum; or (2) gift certificates.

Effective: July 1, 2010.

Pryor

January 5, 2010, read first time and referred to Committee on Public Policy.

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Second Regular Session 116th General Assembly (2010)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2009 Regular and Special Sessions of the General Assembly.

HOUSE BILL No. 1083

A BILL FOR AN ACT to amend the Indiana Code concerning property.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 32-34-1-17 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 17. (a) This section
3 does not apply to section 24 of this chapter.

4 (b) As used in this chapter, "property" means an interest in
5 intangible personal property, except an unliquidated claim, and all
6 income or increment derived from the interest, including an interest
7 that is referred to as or evidenced by:

8 (1) money, a check, a draft, a deposit, an interest, or a dividend;

9 (2) a credit balance, a customer overpayment, ~~a gift certificate~~, a
10 security deposit, a refund, a credit memorandum **other than a**
11 **business to business credit memorandum**, an unpaid wage, an
12 unused airline ticket, mineral proceeds, or an unidentified
13 remittance;

14 (3) stock and other ownership interest in a business association;

15 (4) a bond, debenture, note, or other evidence of indebtedness;

16 (5) money deposited to redeem stocks, bonds, coupons, and other
17 securities or to make distributions;



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(6) an amount due and payable under the terms of an insurance policy; and

(7) an amount distributable from a trust or custodial fund established under a plan to provide:

- (A) health;
 - (B) welfare;
 - (C) pension;
 - (D) vacation;
 - (E) severance;
 - (F) retirement;
 - (G) death;
 - (H) stock purchase;
 - (I) profit sharing;
 - (J) employee savings;
 - (K) supplemental unemployment insurance; or
 - (L) similar;
- benefits.

(c) The term does not include transactions between business entities and:

- (1) a motor carrier (as defined in IC 8-2.1-17-10); or
- (2) a carrier (as defined in 49 U.S.C. 13102(3)).

SECTION 2. IC 32-34-1-20, AS AMENDED BY P.L.85-2005, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 20. (a) For purposes of this section, an indication of interest in the property by the owner:

- (1) does not include a communication with an owner by an agent of the holder who has not identified in writing the property to the owner; and
- (2) includes the following:
 - (A) With respect to an account or underlying shares of stock or other interest in a business association or financial organization:
 - (i) the cashing of a dividend check or other instrument of payment received; or
 - (ii) evidence that the distribution has been received if the distribution was made by electronic or similar means.
 - (B) A deposit to or withdrawal from a bank account.
 - (C) The payment of a premium with respect to a property interest in an insurance policy.
 - (D) The mailing of any correspondence in writing from a financial institution to the owner, including:
 - (i) a statement;

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(ii) a report of interest paid or credited; or

(iii) any other written advice;

relating to a demand, savings, or matured time deposit account, including a deposit account that is automatically renewable, or any other account or other property the owner has with the financial institution if the correspondence is not returned to the financial institution for nondelivery.

(E) Any activity by the owner that concerns:

(i) another demand, savings, or matured time deposit account or other account that the owner has with a financial institution, including any activity by the owner that results in an increase or decrease in the amount of any other account; or

(ii) any other relationship with the financial institution, including the payment of any amounts due on a loan; if the mailing address for the owner contained in the financial institution's books and records is the same for both an inactive account and for a related account.

(b) The application of an automatic premium loan provision or other nonforfeiture provision contained in an insurance policy does not prevent the policy from maturing or terminating if the insured has died or the insured or the beneficiary of the policy otherwise has become entitled to the proceeds before the depletion of the cash surrender value of the policy by the application of those provisions.

(c) Property that is held, issued, or owed in the ordinary course of a holder's business is presumed abandoned if the owner or apparent owner has not communicated in writing with the holder concerning the property or has not otherwise given an indication of interest in the property during the following times:

(1) For traveler's checks, fifteen (15) years after issuance.

(2) For money orders, seven (7) years after issuance.

(3) For consumer credits, three (3) years after the credit becomes payable.

(4) For amounts owed by an insurer on a life or an endowment insurance policy or an annuity contract:

(A) if the policy or contract has matured or terminated, three (3) years after the obligation to pay arose; or

(B) if the policy or contract is payable upon proof of death, three (3) years after the insured has attained, or would have attained if living, the limiting age under the mortality table on which the reserve is based.

(5) For property distributable by a business association in a course

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of dissolution, one (1) year after the property becomes distributable.

(6) For property or proceeds held by a court or a court clerk, five (5) years after the property or proceeds become distributable. The property or proceeds must be treated as unclaimed property under IC 32-34-3.

(7) For property held by a state or other government, governmental subdivision or agency, or public corporation or other public authority, one (1) year after the property becomes distributable.

(8) For compensation for personal services, one (1) year after the compensation becomes payable.

(9) For deposits and refunds held for subscribers by utilities, one (1) year after the deposits or refunds became payable.

(10) For stock, dividends, profits, distributions, interest, redemption, payments on principal, or any other sum held or owed by a business association for or to a shareholder, certificate holder, member, bondholder, or other security holders of the business association, or other interest in a business association, three (3) years after the earlier of:

(A) the date of the last dividend, stock split, or other distribution unclaimed by the apparent owner; or

(B) the date of the second mailing of a statement of account or other notification or communication that was:

(i) returned as undeliverable; or

(ii) made after the holder discontinued mailings to the apparent owner.

(11) For property in an individual retirement account or another account or plan that is qualified for tax deferral under the Internal Revenue Code, three (3) years after the earliest of:

(A) the actual date of the distribution or attempted distribution;

(B) the distribution date as stated in the plan or trust agreement governing the plan; or

(C) the date specified in the Internal Revenue Code by which distribution must begin in order to avoid a tax penalty.

(12) For a demand, savings, or matured time deposit, including a deposit that is automatically renewable, ~~five (5)~~ **three (3)** years after maturity or ~~five (5)~~ **three (3)** years after the date of the last indication by the owner of interest in the property, whichever is earlier. Property that is automatically renewable is considered matured for purposes of this section upon the expiration of its

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1 initial period, unless the owner has consented to a renewal at or
 2 about the time of the renewal and the consent is in writing or is
 3 evidenced by a memorandum or other record on file with the
 4 holder.

5 (13) For property payable or distributable in the course of a
 6 demutualization, rehabilitation, or related reorganization of a
 7 mutual insurance company, ~~five (5)~~ **three (3)** years after the
 8 earlier of:

9 (A) the date of last contact with the policyholder; or

10 (B) the date the property became payable or distributable.

11 (14) For all other property, the earlier of ~~five (5)~~ **three (3)** years
 12 after:

13 (A) the owner's right to demand the property; or

14 (B) the obligation to pay or distribute the property;

15 arose.

16 (d) Property is payable or distributed for purposes of this chapter
 17 notwithstanding the owner's failure to make demand or present an
 18 instrument or a document otherwise required to receive payment.

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